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C O N F I D E N T I A L SEOUL 002529

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TAGS: KN KS PGOV PREL ECON EINV
SUBJECT: ROK-DPRK SUMMIT: FOREIGN AND UNIFICATION MINISTERS
SAY DENUCLEARIZATION AND ECONOMIC COOPERATION GO TOGETHER

REF: A. A. SEOUL 2481
¶B. B. SEOUL 2410

Classified By: AMB. Alexander Vershbow. Reasons 1.4 (b/d)

SUMMARY

¶1. (C) Expanded North-South economic cooperation is only possible if the DPRK continues to make progress on denuclearization, Minister of Foreign Affairs and Trade Song Min-soon told the Ambassador at an August 20 meeting.

-- Song also said the summit would be about implementing existing agreements between the two Koreas, rather than striking out in a new direction, noting the modest tone of President Roh Moo-hyun's August 15 speech on the summit.

-- Similarly, Minister of Unification Lee Jae-joung told the Ambassador during a separate meeting on August 20 that the summit was an opportunity to enlarge and strengthen economic ties between the two Koreas, in the context of denuclearization, and was also meant to contribute to an improvement in U.S.-DPRK relations.

-- Both ministers offered to continue consulting with the USG on the summit, and said September's progress in the Six-Party Talks would affect the summit.

-- Separately, MOU Director General for Unification Policy Planning Um Jong-sik told us that ROKG statements to the effect that the agenda for the summit remains fluid are an understatement, since the DPRK has shared only a bare-bones schedule for meeting venues and there is currently no plan to sit down to work things out in more detail before October 2.

End Summary.

SUMMIT WILL INCLUDE DENUCLEARIZATION

¶2. (C) Foreign Minister Song Min-soon told the Ambassador at an August 20 meeting at his residence that President Roh Moo-hyun hoped to use the October 2-4 summit with Kim Jong-il to expand economic ties with the North, but that South Koreans would not stand for expanded economic cooperation

unless the DPRK continued to make progress on denuclearization. The prospect of expanded economic cooperation, in connection with denuclearization, would be an added incentive for the DPRK to stick with the Six-Party Talks process. President Roh would make clear that denuclearization was part of the framework for expanded cooperation between the two Koreas, Song said.

¶13. (C) Citing the "not too ambitious" goals in President Roh's August 15 National Day speech, Song said that the summit was not intended to "turn the tide of history" but was instead to focus on implementing the four existing agreements between the two Koreas: the 1972 Joint Communique, the 1991 South-North Basic Agreement, the 1992 Joint Declaration of the Denuclearization of the Korean Peninsula, and the June 2000 South-North Joint Declaration (ref A). The 1991 agreement was about political reconciliation, economic cooperation and military confidence-building measures, and now needed to be implemented; the 1992 agreement was about denuclearization and related to the current Six-Party Talks process, where denuclearization was now underway "after twists and turns." Progress in the Six-Party Talks during September would set the tone for the summit.

¶14. (C) Song agreed with the Ambassador's suggestions that the ROKG might need to use the summit to press for progress on denuclearization, if DPRK performance lags, and that it would be useful to have Kim Jong-il affirm his commitment to implementing the Six-Party agreements during the summit or in a joint statement. But Song was not sure that Kim Jong-il would agree to the latter, even though logically he should.

¶15. (C) Minister of Unification Lee Jae-joung began a separate August 20 meeting with the Ambassador by saying that a "main objective" of the summit would be to facilitate the success of the Six-Party Talks. The ROK saw the summit as a chance to support the "ongoing enuclearization" process under the February 13, 2007 agreement, and would discuss denuclearization with the DPRK. Asked whether Kim Jong-il could be expected to voice a commitment to denuclearization, or whether there would be a joint statement that would mention denuclearization, Lee said that the ROKG, including President Roh Moo-hyun, would "like to hear from Kim Jong-il that he wants to resolve" the denuclearization issue and would work the issue. But there was not yet any decision about having a joint statement, or, if so, what it would contain. He implied that the issue would remain open until the leaders meet, saying that he expected a frank discussion of all the issues on both sides. He added that DPRK interlocutors had told him that normalizing U.S.-DPRK relations was a key objective, implying that the DPRK would remain motivated to continue denuclearization.

ECONOMIC COOPERATION IS FOR THE LONG TERM

¶16. (C) In keeping with the joint August 8 press statement announcing the summit, Lee said, the agenda would also include working toward peace on the Korean peninsula and toward increased economic cooperation. Lee said the two themes were expected to reinforce each other, and North Korea had expressed interest in both. He noted that the 2000 summit focused on unification, but the 2007 summit would have a wider agenda. The ROKG's goal was to go from the current level of economic exchange and cooperation to the level of mutually beneficial development and investment. Hence, the ROKG would seek economic projects that would benefit both the South and the North. As an example, he cited a recent agreement to barter North Korean minerals for South Korean light industrial materials (ref B). Another likely subject was expansion of the Kaesong Industrial Complex, but there was no agreement on joint projects as yet. Lee ended his comments on economic cooperation by saying that the two sides are likely to agree on a concept for expanded economic cooperation at the summit, but that projects may only be worked out later and carried out in connection with

denuclearization.

¶ 7. (C) Asked whether the summit would take up South Korean abductees, expanded family reunions, or North-South exchanges, Lee said that these issues were under inter-agency discussion in connection with summit preparation. He added that the two leaders could be expected to have a frank discussion, without being tied to an agenda. Discussions could also touch on U.S.-DPRK and Japan-DPRK relations.

¶ 8. (C) Song dismissed media reports that the ROKG might decide to discuss the Northern Limit Line (NLL) with the North. The ROKG position, which the DPRK knew well, was that the NLL could be discussed in connection with implementation of the 1992 Basic Agreement. For that reason, the ROKG continued to favor Defense Minister talks. As an interim measure, the ROKG had proposed that the two sides establish a joint fishing area around the NLL, but the DPRK had rejected the proposal. Song foresaw no change in that situation as a result of the summit.

COMMENT: PREPARING FOR WHAT?

¶ 9. (C) It is clear that the various South Korean ministries are busy preparing for the upcoming summit. Our MOFAT and MOU colleagues are in their offices at nights and on weekends, dusting off old proposals and trying to come up with new ideas. However, nobody knows how Pyongyang will react to them, because there is currently no pre-summit meeting planned between the two sides to deal with the substance or even the agenda. According to our MOU contacts, during the one preparation meeting held last week with the North Koreans, the two sides agreed only on logistics, such as transportation, press pool, hotel, etc. The agenda remained blank pages, filled with "Day One: lunch followed by meeting, etc." Our MOU contacts were certain that there would be no fleshing out of the agenda, because the North Korean response would be that it was up to Kim Jong-il.

¶ 10. (C) Our contacts expect the summit discussions between the two Korean leaders to be similar to those in 2000: very free-wheeling conversations, with no agenda or schedule. In 2000, the summit meetings were limited to principal plus one (Lim Dong-won with President Kim Dae-jung and Kim Yong-sun with Kim Jong-il). Kim Jong-il would go off on a long threatening discourse on the presence of U.S. troops in South Korea, but then make conciliatory remarks, such as agreeing with Kim Dae-jung that U.S. troops should perhaps remain even after reunification of the two Koreas. Noting that President Roh is never afraid to speak his mind, our interlocutors are hopeful that this time around, while still without an agenda, the discussions will be somewhat more substantive and disciplined than in 2000.

VERSHBOW